

CITY OF MASVINGO

MINUTES OF THE PROCEEDINGS OF THE MEETING OF THE FINANCE AND GENERAL PURPOSES COMMITTEE HELD IN THE COMMITTEE ROOM, MUNICIPAL OFFICES ON WEDNESDAY, 20 MARCH 2024 AT 2.38 P.M.

PRESENT: Councillor B. Muchokwa (Chairman)
His Worship the Mayor Councillor A. Tabe
Deputy Mayor Councillor D. Mberikunashe
Councillor R. Musekiwa
Councillor S. Manyanga

OFFICIALS: Town Clerk
Chamber Secretary
Director of Housing and Social Services
Chief Environmental Health Officer
Finance Director
Chief Internal Auditor
Senior Health Officer
Assistant Committee Officer

IN ATTENDANCE: Ms K. Chingadza- Local Governance Intern

o69. **CONFIRMATION OF MINUTES**

RESOLVED

THAT the minutes of the meeting held on 19 February 2024 be taken as read and confirmed as a correct record and signed.

*Moved by Councillor R. Musekiwa
Seconded by Councillor S. Manyanga*

o70. **MATTERS ARISING**

On minute o41(A)(i) on the measures being undertaken to improve revenue collection efficiency, the Finance Director reported that Council initiated USD billing to preserve value of Council revenue in January 2024, the collection efficiency had not changed since it was ranging from 60-70%. He also noted that USD inflow had not changed also because residents still had the option to pay in preferred currency.

On minute o41(A)(iii) on statutory obligations members requested the Finance Director to report all amounts in USD for ease of reference. The Finance Director advised that the Promun system uses the ZWL, and changes in the exchange rate made it difficult to convert and report the USD accurately. The Finance Director reported that a training for the Finance and General Purposes Committee members will be held beginning of the second quarter, where members will be enlightened of the financial fundamentals and serve as a platform for members to indicate their preferred reporting format and any other key issues.

o71. **REPORT OF THE FINANCE DIRECTOR**

A. FINANCIAL PERFORMANCE.

Consideration was given to the report of the Finance Director on financial performance covering total cumulative revenue and major sources of revenue for the period under review.

Minutes- Finance & General Purposes Committee: 20 March 2024

It was reported that the total cumulative revenue for the period up to 29 February 2024 amounted to ZWL\$ 37,270,671,233.80. Total revenue realized during the period under review constituted 74% of the budgeted revenue for the period amounting to ZWL\$ 50,426,241,154.42. The major sources of revenue for the period were rental revenue amounting to 5%, fees licenses and levies 29%, other income 1%, rendering of services 30% and sales tariffs 35%.

The Committee highlighted the need to put strategies to encourage residents to pay their bills in USD. Members reiterated the need to revive income generation projects to raise revenue. The Finance Director advised that a report on the matter will be submitted to the Committee. Members proposed enforcement of water disconnections and monitoring of the disconnection team to reduce corrupt activities.

Members sought clarity on the recruitment process for the Economic Development Officer, which the Town Clerk reported that the incumbent would assume post in April 2024.

(i) Measures being undertaken to improve revenue efficiency.

It was reported that Council initiated USD billing for the 2024 Budget to preserve value of Council revenue and to able to render services. It was reported that the intervention was promising to yield results, as clients were embracing the initiative and some companies were opting to make payments in hard currency. The foreign currency receipts had slightly improved such that some basic needs which required foreign currency were being met. However, the foreign exchange rate disparities between the formal market and the informal market continued to pose challenges therefore constraining foreign currency inflows.

(ii) Expenditure

It was reported that the total expenditure for the period up to 29 February 2024 was ZWL 24,105,362,546.13 representing 48% of budgeted expenditure. It was reported that expenditure continued to be constrained by cashflow challenges attributed to delays in billing during the month of February owing to billing migration logistics and alignment of the rates billing after the adoption and implementation of the new valuation roll.

(iii) Salaries

The report of the Finance Director on staff salaries and other recurrent expenditure was noted.

(iv) Overtime

Consideration was given to the report of the Finance Director on overtime for the month of February 2024. It was reported that the cumulative overtime paid was ZWL 435,622, 111. 00. Committee members highlighted the need for strict monitoring of overtime.

Members highlighted the need for strict enforcement of bylaws to curb illegal transport operations along E. D Munangagwa Street and Leopold Takawira. It was reported that engagements would be made with the responsible Transport Associations and National Social Security Authority (NSSA) over their undeveloped stand where illegal transport activities were taking place.

(v) Statutory Obligations

The report of the Finance Director on Statutory obligations due as presented below was noted.

Minutes- Finance & General Purposes Committee: 20 March 2024

DESCRIPTION	AMOUNT (ZWL)
ZIMRA (PAYE & AIDS LEVY)	1,679,350,571.22
NSSA	210,378,041.93
LAPF	1,494,429,927.57
ZIMDEF	91,496,710.29
STANDARDS LEVY	39,628,994.18
TOTAL	3,515,284,245.19

B. CAPITAL EXPENDITURE

It was reported that the total capital expenditure for the month amounted to ZWL\$2,123,381,713, and the expenditure increased following the procurement of a Refuse Truck. The report on the cumulative capital expenditure for the period under review was also noted.

C. PRE-PAID PARKING ACTIVITIES

The report of the Finance Director on the revenue realised from pre-paid parking activities for the month of February 2023 was considered. It was reported that the revenue realised from on-street ticket sales amounted to ZWL\$ 344,492,500.00. The revenue was realised from the sale of 26166 parking discs, office sales of ZWL\$64,913,011.00 whilst penalties and enforcement fees amounted to ZWL\$ 10,995,000.00 giving a total collection amounting to ZWL\$420,400,511.00 for the month. The income and expenditure statement for the Prepaid Parking Section and challenges faced was noted. The Committee highlighted the need for revenue realised from Prepaid Parking activities to finance the marking of roads and road signages.

D. CASHBOOK AND CASH FLOW PROJECTIONS

The report of the Finance Director on the cashbook, payments made, actual cashflow and bank balances as at 29 February 2024 were noted.

On payments made during the month, members raised concern on the electricity bill and emphasised the need for Council to expedite the migration to solar energy. The Finance Director noted the concern and advised that engagements with financiers was ongoing.

E. PAYABLES (CREDITORS) MANAGEMENT

Consideration was given to the report of the Finance Director on creditors balance for the month of February 2024. It was reported that Council payables increased owing to liquidity challenges and economic hardships. Council made agreed payment plans with major creditors such as LAPF, ZIMRA, and ZESA where modalities for a set-off arrangement through government intervention was made. The report was noted.

F. STORES AND ASSET MANAGEMENT

The report of the Finance Director on Stores and Stores Management covering stock levels of critical consumables including water treatment chemicals, status of fuels and oils for the month of February 2024 was noted.

Minutes- Finance & General Purposes Committee: 20 March 2024

G. TAXATION AND STATUTORY OBLIGATIONS

Consideration was given to the report of the Finance Director covering taxation, statutory obligations such as value Added tax (VAT), Withholding Tax, Pay as You Earn (PAYE) and presumptive taxes. The report was noted.

H. STEWARD BANK USD 200 000 CAPITAL EXPENDITURE LOAN FACILITY

The report of the Finance Director on the request for authority to secure a loan from Steward Bank was considered. It was reported that the Steward Bank offered Council a USD 200 000 loan facility to be utilised for the acquisition of Landfill maintenance equipment to enhance its functionality as well as reduce hiring cost. It was reported that the loan was a short-term loan, which would be repaid over a period of one year at an interest rate of 15% per year plus 2% flat establishment fee.

The Committee felt that the interest rate was high, whilst others felt that Council should utilise its own revenue, however, after consideration of the urgent need for Council to procure equipment to enable the Landfill to function properly, coupled with the exorbitant fines imposed on Council for violating environmental regulations, the house unanimously agreed to take up the loan facility subject to approval of the borrowing powers by the Ministry of Local Government and Public Works.

RESOLVED TO RECOMMEND

1. THAT the Finance Director be instructed to seek borrowing powers from the Ministry of Local Government and Public Works for the loan facility of US 200000 from Steward Bank. **FD**
2. THAT subject to approval of borrowing powers by the Ministry of Local Government and Public Works, the Finance Director be instructed to apply for a loan amounting to US\$200 000 from Steward Bank for the procurement of Landfill maintenance equipment, at an interest rate of 15% and establishment fee of 2%, payable over a period of one year. **FD**

I. UTILISATION OF THE 2024 TRADITIONAL BEER LEVY FUNDS

The report of the Finance Director on the utilisation of the Beer Levy was considered. It was proposed that the 2024 Traditional Beer Levy funds be used for partial funding of Rujeko Secondary School whilst awaiting for disbursement of Devolution Funds and the construction of Runyararo Swimming Pool. Committee members proposed that Council should refurbish the old Mucheke Swimming Pool and revamp the Rhodene Swimming pool instead of constructing a new Pool. The Finance Director advised that the revamp of the Rhodene swimming pool would be done, but the cost of refurbishing the old pool was more expensive, and construction of a new pool in Runyararo would serve a greater population of youth given the current demographics.

On the construction of Classroom Blocks at Rujeko Secondary School, members felt it was prudent for Council to expedite construction of all basic infrastructure before handing over to the School Development Committee to carry over construction of other infrastructure. The proposed utilisation of Beer levy funds was adopted.

Minutes- Finance & General Purposes Committee: 20 March 2024

RESOLVED TO RECOMMEND

THAT Council authorises the utilisation of the 2024 Traditional Beer Levy funds for partial funding of Rujeko Secondary School whilst awaiting for Devolution funds disbursement and the construction of Runyararo Swimming Pool. **FD**

J. Adoption of Report

RESOLVED TO RECOMMEND

THAT the report of the Finance Director be approved and adopted subject to the resolutions passed in relation thereto.

072. REPORT OF THE DIRECTOR OF HOUSING AND SOCIAL SERVICES

A. LIQUOR SECTION REPORT

The report of the Director of Housing and Social Services on Council liquor outlets covering sales by brand and outlet, profitability and challenges for the month of February 2024 was considered. It was reported that the section recorded a net profit of ZWL 15,061,249.91. It was reported that the section was understaffed and there was need to acquire a dedicated vehicle for the operations. The challenges experienced in the Liquor Section were noted.

B. REQUEST FOR STADIUM USE BY MASVINGO UNITED FOOTBAL CLUB

Consideration was given to the report of the Director of Housing and Social Services on the request by Masvingo United Football Club for free use of Mucheke Stadium for 2024 Soccer season. It was reported that the applicant was requesting for use of Mucheke Stadium, for free, for home games and 3 days for training. The Committee granted Masvingo United FC to use the Mucheke Stadium for free during the 2024 Soccer Season.

With regards to maintenance of Council infrastructure, members highlighted the need for maintenance and refurbishment of Mucheke Hall and all other Council halls. The Committee commented the Director of Housing and Social Services on the refurbishment of Rujeko Beerhall.

RESOLVED

THAT Council authorises the free use of Mucheke Stadium by Masvingo United Football Club to host its home league games during the 2024 Soccer Season. **DHSS**

C. Adoption of Report

RESOLVED TO RECOMMEND

THAT the report of the Director of Housing and Social Services be approved and adopted subject to the resolution passed in relation thereto.

073. REPORT OF THE DIRECTOR OF ENGINEERING SERVICES

A. PROPOSED REVIEW OF PLAN APPROVAL FEE RATES FOR INSTITUTIONS

The report of the Acting Director of Engineering Services on the proposed review of institutional building plan fees. It was reported that institutional building plans were being treated as commercial thus calculating using the rate of US2.50/m² whilst the size of

Minutes- Finance & General Purposes Committee: 20 March 2024

institutional buildings which are far much bigger than commercial. A proposal was tabled for a downward review of the institutional building plan fees to USD \$1/ m² on the ground floor and \$ 0 .50 per m² on any additional floor. The proposal was adopted.

Members highlighted the need for the Engineering Services personnel to close up opened trenches in the commonage, which had become a hazard to children and pets.

RESOLVED TO RECOMMEND

THAT the building plan approval fee for Institutional stands be pegged at USD \$1/ m² on the ground floor and \$ 0 .50 per square metre for additional floors. FD

B. Adoption of Report

RESOLVED TO RECOMMEND

THAT the report of the Director of Engineering Services be approved and adopted subject to the resolution passed in relation thereto.

074. REPORT OF THE CHAMBER SECRETARY

A. ADOPTION OF COUNCIL POLICIES

The report of the Chamber Secretary on the adoption of fourteen (14) Council policies was considered. It was reported that a policy review exercise was held on 15 And 16 February 2024, at Holiday Inn Bulawayo where Management and Policy makers gave input on the proposed Policies. The policies were presented as follows:

- i. City Of Masvingo Infectious for Disease Control Policy 2024
- ii. City Of Masvingo Non-Current Assets Management Policy 2024
- iii. Corporate Social Responsibility Policy 2024
- iv. Credit Control Policy 2024
- v. Cyber Security Policy 2024
- vi. Disaster Management Policy 2024
- vii. Records Management Policy 2024
- viii. Due Diligence Policy City of Masvingo 2024
- ix. Education Policy 2024
- x. Outdoor Advertising Policy Doc 2024
- xi. Security Policy 2024
- xii. Social Services Policy 2024
- xiii. Whistle Blowing Policy 2024
- xiv. Recruitment Policy (Reviewed) 2024
- xv. Vehicle Policy (Reviewed) 2024
- xvi. Medical Aid Constitution (Reviewed) 2024

The policies were adopted.

RESOLVED TO RECOMMEND

THAT fourteen (14) Council policies as listed below, be adopted

- i. City Of Masvingo Infectious for Disease Control Policy 2024
- ii. City of Masvingo Non-Current Assets Management Policy 2024
- iii. Corporate Social Responsibility Policy 2024

Minutes- Finance & General Purposes Committee: 20 March 2024

- iv. Credit Control Policy 2024
- v. Cyber Security Policy 2024
- vi. Disaster Management Policy 2024
- vii. Records Management Policy 2024
- viii. Due Diligence Policy City of Masvingo 2024
- ix. Education Policy 2024
- x. Outdoor Advertising Policy Doc 2024
- xi. Security Policy 2024
- xii. Social Services Policy 2024
- xiii. Whistle Blowing Policy 2024
- xiv. Recruitment Policy (Reviewed) 2024
- xv. Vehicle Policy (Reviewed) 2024
- xvi. Medical Aid Constitution (Reviewed) 2024 CS

B. REPORT ON THE VALUATION OF COMMERCIAL STANDS ALONG OLIVER STREET AND OFF CHARUMBIRA ROAD

It was reported that a valuation exercise to ascertain the market rate per square metre for Stands located along Oliver Street and off Charumbira Road (New Central Business District) was undertaken by a Registered Valuer. The Valuer submitted valuation reports highlighting the following information pertaining to the proposed rate per square metre:

STAND NUMBERS	LOCATION	RATE PER SQUARE METRE
29968-29998	Oliver Street	USD\$50.00
28616-28651	Charumbira Road and Beitbridge Road	USD\$60.00

It was reported that according to the valuation reports, the proposed rates of USD 50.00 per square metre for Oliver Street stands and USD 60.00 for Charumbira and Beitbridge Road stands per square metre be adopted in the sale of stands along Oliver Street and off Charumbira Road and Beitbridge Road.

The Committee felt that the recommended pricing for the commercial stands were too high, as this would scare away investors and affect development. Proposals were made for Council to utilize the last pegged price for commercial stands of USD 19.00 per square metre. The Chamber Secretary advised that the Committee could review the cost of land or cost of servicing and avoid thumb sucking of pricing. He advised that another option would be to seek the opinion of another valuer.

Debate ensued. The Committee eventually agreed that the pricing of commercial stands along Oliver Street and off Charumbira Road along Beitbridge Road be referred to Management for further research and a report on the matter be submitted to a Special Council meeting for consideration.

RESOLVED TO RECOMMEND

THAT the matter regarding the pricing of commercial stands along Oliver Street and off Charumbira Road along Beitbridge Road be referred to Management for further research and a report on the matter be submitted to a Special Council meeting for consideration.

Minutes- Finance & General Purposes Committee: 20 March 2024

C. Adoption of Report

RESOLVED TO RECOMMEND

THAT the report of the Chamber Secretary be approved and adopted subject to the resolution passed in relation thereto.

075. REPORT OF THE TOWN CLERK

A. REQUEST FOR EDUCATIONAL LOAN: INNOCENT MUTANDE (BNRP OPERATOR GRADE 8) COMP. NO. 130342.

Consideration was given to the report of the Town Clerk on the application by Innocent Mutande (BNRP Operator Grade 8) Comp. No. 130342, for an educational loan amounting to US\$400, with US\$280 paid in US dollars and the remaining US\$120 be paid in RTGS at the prevailing interbank rate, to pursue a National Diploma in Water and Wastewater Management in Institute of Water and Sanitation Development. The application was granted subject to availability of funds in the educational loan revolving fund.

RESOLVED TO RECOMMEND

THAT the application by Innocent Mutande (BNRP Operator Grade 8) Comp. No. 130342, for an educational loan amounting to US\$120, paid in RTGS at the prevailing interbank rate, to pursue a National Diploma in Water and Wastewater Management with the Institute of Water and Sanitation Development be granted subject to availability of funds in the educational loan revolving fund.

B. REQUEST FOR EDUCATIONAL LOAN: B. CHADOMUNHU (REVENUE CLERK GRADE 10) COMP. NO. 120255.

Consideration was given to the report of the Town Clerk on the application by Mrs B. Chadomunhu (Revenue Clerk Grade 10) Comp. No. 120255, for an educational loan amounting to US\$610, with US\$350 paid in US dollars and US\$260 paid in RTGS at the prevailing interbank rate, to undertake a Master of Commerce degree in Professional Accounting and Corporate Governance with Great Zimbabwe University. The application was granted subject to availability of funds in the educational loan revolving fund.

RESOLVED TO RECOMMEND

THAT the application by Mrs B. Chadomunhu (Revenue Clerk Grade 10) Comp. No. 120255 requesting for an educational loan amounting to US\$305 payable at the prevailing interbank rate to undertake a Master of Commerce degree in Professional Accounting and Corporate Governance with Great Zimbabwe University be granted subject to availability of funds in the educational loan revolving fund. TC

C. REQUEST FOR EDUCATIONAL LOAN: P. R. CHIPATO (WATER WORKS PLANT ATTENDANT GRADE 4) COMP. NO. 130448.

Consideration was given to the report of the Town Clerk on the application by P. R. Chipato (Water Works Plant Attendant Grade 4) Comp. No. 130448 for an educational loan amounting to US\$ 500, with US\$350 paid in US dollars and US\$150 paid in RTGS at the prevailing interbank rate, to undertake a Post Graduate Diploma in Water Supply and

Minutes- Finance & General Purposes Committee: 20 March 2024

Sanitation with the Institute of Water and Sanitation Development. The application was granted subject to availability of funds in the educational loan revolving fund.

RESOLVED TO RECOMMEND

THAT the application by Mrs P. R. Chipato (Water Works Plant Attendant Grade 4) Comp. No. 130448 for an educational loan amounting to US\$500 payable at the prevailing interbank rate, to undertake a Post Graduate Diploma in Water Supply and Sanitation with the Institute of Water and Sanitation Development be granted subject to availability of funds in the educational loan revolving fund. TC

D. REQUEST FOR EDUCATIONAL LOAN: SUZANNE H. MADAMOMBE (CHIEF ENVIRONMENTAL HEALTH OFFICER GRADE 16) COMP. NO. 120212.

Consideration was given to the report of the Town Clerk on the application by Ms Suzanne H. Madamombe (Chief Environmental Health Officer Grade 16) Comp. No. 120212, for an educational loan amounting to US\$675.00 payable at the prevailing interbank rate, to undertake a Master of Science Degree in International Relations at the Zimbabwe National Defence University. The application was granted subject to availability of funds in the educational loan revolving fund.

RESOLVED TO RECOMMEND

THAT the application by Ms Suzanne H. Madamombe (Chief Environmental Health Officer Grade 16) Comp. No. 120212 for an educational loan amounting to US\$ 675 payable at the prevailing interbank rate, to undertake a Master of Science Degree in International Relations at the Zimbabwe National Defence University be granted subject to availability of funds in the educational loan revolving fund. TC

E. REQUEST FOR EDUCATIONAL LOAN: MUGOVE HOVE (AUDIT CLERK GRADE 11) COMP. NO. 120183.

Consideration was given to the report of the Town Clerk on the application by Mr Mugove Hove (Audit Clerk Grade 11) Comp. No. 120183 for an educational loan amounting to US\$2665.00 payable at the prevailing interbank rate, to pursue an Advanced Diploma in Professional Accounting with the Zimbabwe Chartered Institute Accountants. The application was granted subject to availability of funds in the educational loan revolving fund.

RESOLVED TO RECOMMEND

THAT the application by Mr Mugove Hove (Audit Clerk Grade 11) Comp. No. 120183 requesting for an educational loan amounting to US\$2665.00 payable at the prevailing interbank rate, to pursue an Advanced Diploma in Professional Accounting with the Zimbabwe Chartered Institute of Accountants, be granted subject to availability of funds in the educational loan revolving fund. TC

F. Adoption of Report

RESOLVED TO RECOMMEND

THAT the report of the Town Clerk be approved and adopted subject to the resolution passed in relation thereto.

Minutes- Finance & General Purposes Committee: 20 March 2024

The meeting ended at 5.51 p.m

CONFIRMED THIS

DAY OF

2024

CHAIRMAN

TOWN CLERK